

## **Companion Piece to the “District IDEA Maintenance of Effort Eligibility Test - Scenario Calculator Report”**

The IDEA Maintenance of Effort (MOE) Eligibility Test - Scenario Calculator Report is accessed through the Special Education Web Portal. All individuals who have access to the LEA’s IDEA budgets will see this report in the Reports Table on the Local Performance Plan Main Menu page.

### ***What am I looking at?***

The MOE Eligibility Test Report is the data that is used to determine whether or not an LEA is “eligible” for IDEA Part B federal funds by budgeting at least the same amount as it expended on special education using local/state funds the prior year.

LEAs can meet this eligibility requirement by passing one of four tests of funding. The four tests are a year to year comparison of:

- 1) Local (Project 011) & State (Project 019) expenditures
- 2) Local Only (Project 011) expenditures
- 3) The per student capita amount of Local (Project 011) & State (Project 019) expenditures
- 4) The per student capita amount of Local Only (Project 011) expenditures

### ***How do I know if we passed the MOE eligibility test?***

The “quick” answer is provided in the very first row on the screen:

The Tomah Area School District has met the MOE eligibility test.					
Test #1	Test #2	Test #3	Test #4	50% Rule Calculation	Freed Up Funds
(\$165,234.57)	\$958.46	(\$266.73)	\$63.26	N/A	N/A
Failed	Met	Failed	Met		

The first sentence states whether the LEA has met the MOE eligibility test based on the four tests, including the “50% Rule” exception. Under each of the tests are a number and a status. The number is the difference between last year’s expenditures and this year’s budgeted amount. The status is whether or not the LEA met or failed that particular test. An LEA needs to only meet ONE of the tests to meet MOE eligibility.

### **What are the tests?**

Test #1 is a comparison of State / Local actual expenditures from last year compared to what was submitted in the LEA’s budget this year.

Test #2 is a comparison of the amount that was transferred from Fund 10 to Fund 27 last year compared to what was submitted in the LEA’s budget this year.

Test #3 is a comparison of State / Local costs per pupil, based on last year’s Child Count, compared to what was submitted in the LEA’s budget this year against this year’s Child Count.

Test #4 is a comparison of the Fund 10 transfer costs per pupil, based on last year’s Child Count, compared to what was submitted in the LEA’s budget this year against this year’s Child Count.

The calculations for these test results are displayed in the four quadrants on the bottom of the report.

### What does a positive or negative number mean?

The numbers are the difference between last year's actual expenditures compared to the numbers that were submitted by the LEA in the current year's 1504 special education budget report. A positive number means that the LEA has increased spending in that test by the amount listed. A negative amount means that the LEA has decreased spending in that test by the amount listed.

### What is the column "50% Rule Calculation"?

An LEA can reduce its MOE by the value of half the increase of the flow-through grant it receives from year to year. For instance, if an LEA received \$100,000 last year in flow-through funds, and this year receives \$200,000, the LEA has the option of reducing MOE by \$50,000 – half the value of the increase.

A number appears in the 50% rule column only if the LEA has failed all four MOE tests. In the example on the prior page, the LEA met two of the four tests and did not need to apply the 50% rule, so an "N/A" is displayed.

In the example below, the LEA failed all four tests, so the 50% rule kicked in:

The Tomah Area School District has met the MOE eligibility test.					
Test #1	Test #2	Test #3	Test #4	50% Rule Calculation	Freed Up Funds
(\$902,755.59)	(\$63,191.59)	(\$1,856.21)	(\$75.00)	\$389,383.50	\$63,191.59
Failed	Failed	Failed	Failed	Met	

The LEA is now using "freed up" funds. Freed-up funds must be spent in the year they are freed up and must be spent on activities allowed under the Elementary and Secondary Education Act (ESEA). The LEA must be able to identify how and when these funds were spent.

The amount that shows up in the 50% Rule Calculation column is the max amount the LEA can reduce MOE while still meeting eligibility. This amount is based on the difference between the LEA's previous year flow-through grant amount and this year's grant and whether or not the LEA had budgeted for any Coordinated Early Intervening Services (CEIS) funds.

The actual amount of freed-up funds that must be expended appears in the column "Freed Up Funds." This is based on the lowest number that appears in either Test #1 or Test #2. This amount would be considered "freed up" and must be spent in the current year and tracked. In the example above, the lowest amount is \$63,191.59, so this is the amount the LEA must consider "freed-up."

**PLEASE NOTE:** This is based on the 1504 special education budget report submitted by the LEA. Compliance is based on an actual to actual comparison. If the LEA in the example above reduces their amount in Test #2 by an amount greater than \$63,191.59 in actual expenditures, then it is the actual amount of reduction that must be spent and tracked to be in compliance with IDEA.

In the next example, the LEA did not meet any of the four tests, nor did it stay within the limitations of the max MOE reduction it is allowed with the 50% rule:

The Tomah Area School District has failed the MOE eligibility test.					
Test #1	Test #2	Test #3	Test #4	50% Rule Calculation	Freed Up Funds
(\$402,755.59)	(\$413,191.59)	(\$778.63)	(\$829.31)	\$389,383.50	\$389,383.50
Failed	Failed	Failed	Failed	Failed	

According to the numbers the LEA submitted through the 1504 SE budget report, the LEA is reducing its MOE outside of the parameters allowed with the 50% rule. The lowest amount in Test #1 and Test #2 is \$402,755.59, which is \$13,372 over the allowed 50% MOE reduction. To make eligibility, the LEA will either need to re-submit the 1504 special education budget report with adjusted increases OR provide DPI with documentation that at least \$13,372 was due to one of the allowable exceptions under IDEA:

- The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel.
- A child with a disability that incurs an exceptionally costly program either leaves the district, ages out, or no longer needs the special education program.
- The assumption of the program cost by the IDEA high cost fund for a child with a disability.
- The termination of costly expenditures for long-term purchases, such as the acquisition of a vehicle used for special education transportation.

LEAs that do not meet the MOE eligibility test are sent a letter from DPI explaining the necessary steps to make the LEA eligible. DPI staff will provide technical assistance to the LEA to ensure eligibility. Not being “eligible” means the LEA is not eligible for any of its Part B entitlement grant for the current fiscal year.

### What numbers are you using?

For all four tests, the software pulls numbers from reports submitted by the LEA.

Test #1: All 011 (aidable) and 019 (non-aidable) expenditures in Fund 27 with certain revenue accounts subtracted from the 1505 SE annual report and the 1504 SE budget report.

Test #2: The amount listed for account 27-R-411000-827-000 from the 1505 SE annual report and the 1504 SE budget report. This is the amount that the LEA transfers from Fund 10 to Fund 27.

Test #3: The expenditures determined in Test #1, but broken out by per pupil expenditures. The pupil counts are pulled from the Child Count numbers submitted by the LEA.

Test #4: The amount transferred from Fund 10 to Fund 27, but broken out by per pupil expenditures. The pupil counts are pulled from the Child Count numbers submitted by the LEA.

See pages 5 and 6 for a complete list of expenditures and revenue accounts and child count information.

MOE Values			
	2008-2009 Actual	2009-2010 Budget	2009-2010 Actual
State and Local Expenditures	<a href="#">\$1,191,172.23</a>	<a href="#">\$1,367,423.00</a>	<input type="text" value="\$1,367,423.00"/>
State and Local Revenue	<a href="#">\$2,126.67</a>	<a href="#">\$0.00</a>	<input type="text" value="\$0.00"/>
10E 411000 827000 (Local Only)	<a href="#">\$877,851.38</a>	<a href="#">\$1,125,041.00</a>	<input type="text" value="\$1,125,041.00"/>
October 1st Child Count	106	111	
Preschool Allocation (619)		\$9,537.00	
Flow-Through Allocation (611)		\$193,187.00	
CEIS Budget		\$2,090.00	<input type="text" value="\$2,090.00"/>
<div> <div>Exit</div> <div> <p>The "CEIS Budget" Amount is pulled from the LEA's last approved IDEA flow-through budget (both regular and ARRA). This impacts the amount that is available through the 50% rule. This report updates automatically if there is any approved change made to the LEA's CEIS budget.</p> </div> <div>Start Over</div> <div>Re-Calculate</div> </div>			

The graphic above is the “scenario” piece of the MOE Eligibility Report. The numbers in the Actual and Budget columns have been pulled from the LEA reports submitted to DPI. The “2009-2010 Actual” column is an opportunity for you to plug in different numbers than what was submitted in the 2009-2010 SE budget report. This is **only** a tool, the numbers entered into the 2009-2010 actual column are not stored anywhere and do not change any data that has been submitted elsewhere.

If an adjustment is made to either the 1504 SE budget report through a resubmission of the data to DPI’s School Financial Services team or the IDEA budgets through an amendment submission, this MOE report will be updated with the latest approved figures.

Clicking on the hyperlinked numbers under the 2008-2009 Actual and 2009-2010 Budget headings opens a pop-up window with the details pulled from the special education and annual reports.

### Making the most of the scenario calculator

Here’s a tip for getting the most out of the scenario calculator: copy the hyperlinked detail to an excel spreadsheet where numbers can be adjusted, then return to the scenario calculator with your new bottom line amounts.

District Maintenance of Effort Reports		
Current Year Budget		
Bayfield School District		
2009 - 2010		
Account #	Description	Actual Amount
E156200342019	Employee Travel	\$400.00
E159100342019	Employee Travel	\$600.00
E218100342019	Employee Travel	\$1,000.00
E214000440019	Furnishings	\$494.00
E214000410019	General Supplies	\$7,000.00
E156600240011	Health Insurance	\$9,370.00
E158000240011	Health Insurance	\$66,961.00
E159100240011	Health Insurance	\$200,265.00
E212000240011	Health Insurance	\$9,241.00
E213000240011	Health Insurance	\$1,734.00
E214000240011	Health Insurance	\$741.00
E218100240011	Health Insurance	\$17,728.00

1) Click on the hyperlink for the details you wish to copy over. A pop-up window with the details will appear on your screen (example on the left).

2) When the pop-up window with the detail appears, scroll your mouse over the pop-up and right-click.

Select the menu item “Save Page As,” rename (but keep the .htm extension) and save to a location on your computer.

3) Minimize your browser and find the file you just saved.

4) Right click on the file you just saved and select the “Open With” menu item, and select “Microsoft Office Excel.”

5) Your details are now in a spreadsheet that you can use to change numbers to your bottom line.

**SAFR Expenditure Accounts Included in MOE - Test #1**

<b>Fund</b>	<b>Type</b>	<b>Function</b>	<b>Source</b>	<b>Project</b>	<b>Account Title</b>
27	E	000000	000	011	State Categorical Aid Aidable Cost
27	E	000000	000	019	State Categorical Aid Non-Aidable Cost

**SAFR Revenue Accounts Included in MOE - Test #1**

<b>Fund</b>	<b>Type</b>	<b>Function</b>	<b>Source</b>	<b>Project</b>	<b>Account Title</b>
27	R	000000	246	000	Special Education Tuition - Individual Paid
27	R	000000	247	000	Special Education Tuition - Private Agency Paid
27	R	000000	248	000	Transportation Fees - Individual Paid
27	R	000000	249	000	Transportation Fees - Private Agency Paid
27	R	000000	262	000	Supply Resale
27	R	000000	263	000	Vocational Education Projects
27	R	000000	264	000	Non-Capital Surplus Property Sales
27	R	000000	279	000	Other School Activity Income
27	R	000000	291	000	Gifts, fundraising, contributions and development
27	R	000000	346	000	Non-Open Enrollment Special Education Tuition From Wisconsin School Districts
27	R	000000	347	000	Open Enrollment Special Education Tuition From Wisconsin School Districts
27	R	000000	348	000	Transportation Fees From Other Wisconsin School Districts
27	R	000000	349	000	Payments for Other Services Provided Wisconsin School Districts
27	R	000000	390	000	Other Payments From Wisconsin School Districts
27	R	000000	446	000	Special Education Tuition From Non-Wisconsin School Districts
27	R	000000	448	000	Transportation Fees From Non-Wisconsin School Districts
27	R	000000	449	000	Payments for Other Services Provided to Non-Wisconsin School Districts
27	R	000000	490	000	Other Payments From Non-Wisconsin School Districts
27	R	000000	536	000	Payments From CCDEBs for Special Education Services
27	R	000000	538	000	Transportation Fees From CCDEBs
27	R	000000	539	000	Payments for Other Services Provided to CCDEBs
27	R	000000	543	000	Payments From CESAs for Co-Curricular Activities
27	R	000000	546	000	Payments From CESAs for Special Education Services
27	R	000000	548	000	Transportation Fees From CESAs
27	R	000000	549	000	Payments for Other Services Provided to CESAs
27	R	000000	590	000	Other Payments From CESAs
27	R	000000	780	000	Federal Aid Received Through State Agencies Other Than DPI
27	R	000000	878	000	Long-Term Debt Proceeds - Capital Leases
27	R	000000	961	000	Cash Balance Adjustment
27	R	000000	962	000	Inventory Balance Adjustment
27	R	000000	965	000	Self-Funded Health Benefit Cost Adjustment
27	R	000000	969	000	Other Adjustments
27	R	000000	971	000	Refund of Prior Year Expense
27	R	000000	990	000	Other Miscellaneous Revenues

**SAFR Expenditure Account for Test #2 - Local Amount Only**

27	R	411000	827	000	Transfer to Special Education Fund
----	---	--------	-----	-----	------------------------------------

### **Child Count Numbers for Test #3 and Test #4**

The following codes determine how the child is counted for purposes of MOE per pupil expenditures:

OPEN: For “open enrollment,” the resident LEA pays tuition. The student is in the resident LEA’s MOE Child Count number.

C220: For 220 transfers, the attending LEA pays the student costs. The student is in the attending LEA’s MOE Child Count number.

WAIV: For tuition waivers, a student is attending school in a district in which the family no longer resides. The attending LEA pays the student costs. The student is in the attending LEA’s MOE Child Count number.

RCC: For RCC, a student takes classes in the local LEA. The attending LEA pays the student costs. The student is in the attending LEA’s MOE Child Count number.

SUBM: There is no tuition payment from the resident LEA to the attending LEA. The student is in the attending LEA’s MOE Child Count number.

RES: The child attends other than resident district. The resident LEA pays the student costs. The student is in the resident LEA’s MOE Child Count number.